

complaint

Mr C complains that Royal & Sun Alliance Insurance Plc (“RSA”) won’t honour a promise under his home emergency insurance policy, which was underwritten by RSA, to replace his central heating boiler if it couldn’t be repaired.

background

For a number of years, Mr C has had a home emergency policy underwritten by RSA for his central heating boiler and system. In April 2018, Mr C’s boiler stopped working and he called on RSA under his policy. Its engineer said there was evidence of rust and scale in the system, and he would have to get someone else to powerflush the system before the engineer could work on it.

Mr C arranged for a plumber to do this, but while it was in progress, a leak in the heat exchanger arose. So he halted the powerflush. Mr C called on RSA to investigate the leak. Its engineer said a new heat exchanger was needed, and that that this damage too was caused by the build-up of sludge. So under the policy terms it wasn’t responsible for repairing this.

Mr C disputed the engineer’s diagnosis. RSA said if he got a report from an independent engineer it would consider this.

As he had now been without heating and hot water, Mr C arranged with another supplier to install a new boiler at a cost of £2,200. He complained that RSA wouldn’t honour its promise to pay for a replacement boiler contained in a promotional leaflet which first induced him to take out emergency cover. RSA said under the terms and conditions of the policy problems relating to sludge, scale and other debris were excluded from cover.

Our investigator didn’t recommend that this complaint should be upheld. He was satisfied from the engineers’ reports that there was sludge or other debris in Mr C’s central heating system which caused the initial problems. This had also caused problems with the heat exchanger so that it needed to be replaced.

RSA had supplied the investigator with a copy of the policy Terms Conditions which it said were supplied to Mr C when he took out the policy. Condition 3.1 said that in respect of the central heating system the following were excluded from cover:

“Problems relating to sludge, scale and other debris in the central heating system and related pipework.”

The investigator said this meant any repairs required to the boiler, or the replacement of the boiler, wouldn’t be covered by the policy.

In the light of the reports from its engineers and the policy terms and conditions, the investigator thought RSA had acted reasonably in refusing to provide any further assistance under the policy.

Mr C didn’t accept the investigator’s recommendation. He said the reason for the initial breakdown was that the timer control unit failed. He didn’t think it was reasonable for RSA to refuse assistance because a powerflush was needed.

The investigator said that irrespective of the timer control unit, the evidence of the engineers was that the sludge present in the boiler and system meant the boiler wouldn't have worked.

Mr C said he had asked the manufacturer of the boiler to come and inspect it and issue a report on its condition. He still thought it could have been repaired and that RSA should reimburse the cost of the new boiler.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In November 2012, after receiving a promotional leaflet, Mr C entered into a home care maintenance plan for his central heating boiler and system. The leaflet said that if within the first 12 years of its life the boiler couldn't be repaired, it would be replaced free of charge under the plan.

Such plans aren't insurance policies, and so aren't within the jurisdiction of this service. When we started investigating this complaint it wasn't clear the initial arrangement wasn't an insurance policy, and it has taken some time to establish exactly what happened. As it's not within our jurisdiction, I won't say any more about the original arrangement that Mr C had.

It appears that in 2014 the arrangement was changed to a home emergency insurance policy for Mr C's central heating boiler and system, which was underwritten by RSA. This is within our jurisdiction. It appears from RSA's records that at the time RSA wrote to Mr C explaining the change and sent him a copy of the terms and conditions of the insurance policy.

The policy included a similar boiler replacement provision if RSA's engineers couldn't repair the boiler. Included in the section dealing with his central heating boiler, under the heading "*What we do not cover*" was the following:

"We will not pay for damage.....

2.5.6 caused by or arising from sludge, scale and other debris in the central heating boiler and related pipework".

The policy ran for 12 months. Each year, when his policy ran out, Mr C renewed it for another 12 months. The terms and conditions each year contained the same restriction on cover.

When Mr C's boiler broke down, RSA's engineers said they wouldn't deal with the repairs needed because the damage arose from a build-up of sludge. So Mr C would have to arrange his own engineers to repair the boiler.

I conclude that the boiler replacement provision didn't apply when Mr C's boiler broke down. It only came into effect if the boiler was irreparable. This doesn't seem to have been the case here; it was just that RSA's engineers wouldn't repair it under the policy for the reasons I've described above.

Mr C says the boiler stopped working because of a failed timer unit. But the evidence of RSA's engineers is that the build-up of scale caused other problems apart from the failed

timer control unit. If Mr C obtains expert evidence which contradicts this, RSA has said it will consider this.

In the absence of any such evidence, and in view of the wording of the policy terms and conditions I've quoted above, I don't think RSA acted unreasonably in refusing either to repair the damage to the boiler or to contribute to the cost of its replacement.

my final decision

My decision is that I don't uphold this complaint, and make no order against Royal & Sun Alliance Insurance Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 July 2019.

Lennox Towers
ombudsman